

**§ 301.12 Exception to criteria for qualification.**

(a) EDA shall designate in a State which has no redevelopment area that area which most nearly qualifies under this subpart.

(b) Designation made under paragraph (a) of this section shall be terminated in accordance with section 402 of the Act if any other area within the same State subsequently becomes qualified or designated under any other section of this subpart.

(1) Designation under paragraph (a) of this section will not be terminated under paragraph (b) of this section if the area becoming qualified or designated becomes qualified under § 301.6 or § 301.7.

(2) Termination under this subsection will become effective at the time of the annual review.

**Subpart B—Limitations on Designation of Areas**

**§ 301.13 Limitations with respect to the size and boundaries of redevelopment areas.**

(a) The size and boundaries of redevelopment areas will be determined by EDA subject to requirements under the Act for at least 1500 in population, unless designated under § 301.4 or §§ 301.6, 301.7, 301.8, and other requirements in section 401(b) of the Act.

(b) Except for areas designated under §§ 301.4, 301.5, 301.6, 301.7 and 301.8, no area may be designated which is smaller than a labor area (as defined by the Secretary of Labor), a county, or a municipality with a population of over 25,000 persons whichever EDA deems appropriate.

(c) All parts of the area seeking designation under § 301.5 must be contiguous.

(d) Delineation of the area designated under § 301.5 must be based on a reasonable grouping of census tracts or similar geographical units, or the area must be defined by specific boundaries incorporating commercial or industrial sites and enterprises which can offer employment opportunities for the work force of the area.

(e) Nothing in this section shall prevent any municipality designated or eligible to be designated as a redevelopment

area from combining with any other community having mutual economic interests and transportation and marketing patterns for the purpose of such designation.

(f) Areas qualified in accordance with § 301.5 may be designated subject to the receipt of an acceptable OEDP within 6 months following such conditional designation, or within such additional period as the Assistant Secretary may grant for good cause.

(g) Any area, other than those areas eligible for designation pursuant to §§ 301.5 and 301.6, which does not submit an acceptable OEDP within 6 months after notification of its qualification for designation, shall not thereafter be designated prior to the next annual review of eligibility; however, such period may be extended for good cause.

**§ 301.14 Receipt of an acceptable OEDP.**

(a) No area shall be designated until it has an approved OEDP, as described in section 403 of the Act, except those areas eligible for designation under §§ 301.5 and 301.6.

(b) Areas qualified in accordance with § 301.5 may be designated subject to the receipt of an acceptable OEDP within 6 months following such conditional designation, or within such additional period as EDA may grant for good cause.

(c) Any area, other than those areas eligible for designation pursuant to §§ 301.5 and 301.6, which does not submit an acceptable OEDP within 6 months after notification of its qualification for designation, shall not thereafter be designated prior to the next annual review of eligibility; however, such period may be extended for up to 6 months if EDA determines there is good cause.

**Subpart C—Modification of Designated Areas**

**§ 301.15 Adjustment of boundaries.**

(a) EDA may make minor modifications in the boundaries of redevelopment areas designated under Subpart A of this part if: